

Message Text

CONFIDENTIAL

PAGE 01 STATE 081250

71

ORIGIN EA-14

INFO OCT-01 ADP-00 EB-11 SCEM-02 INT-08 COME-00 TRSE-00

OPIC-12 L-03 PM-09 NSC-10 SS-15 RSC-01 CIAE-00 INR-10

NSAE-00 DODE-00 /096 R

DRAFTED BY EA/ ROC: MEMCDONNELL; BDS

4/30/73 EXT 21321

APPROVED BY EA/ ROC: LJMOSE

----- 071205

P 302220 Z APR 73

FM SECSTATE WASHDC

TO AMEMBASSY TAIPEI PRIORITY

C O N F I D E N T I A L STATE 081250

E. O. 11652: GDS

TAGS: TW, ENRG, BTRA

SUBJECT: VISIT OF TED FINDEISS, CLINTON INTERNATIONAL

1. TED C. FINDEISS, MANAGING DIRECTOR, CLINTON INTERNATIONAL WILL ARRIVE TAIPEI ABOUT MAY 1 TO CONFER WITH CHINA PETROLEUM CORPORATION (CPC). FINDEISS EXPECTED TO CALL ON AMBASSADOR OR ECONCOUNSELOR.

2. IN CONVERSATION WITH DEPUTY ASSISTANT SECRETARY BARGER APRIL 12, FINDEISS SAID CLINTON HAD COMPLETED SEISMIC WORK IN ROC ZONE 4 BUT HAD FAILED TO TAKE FURTHER STEPS REQUIRED UNDER ITS CONTRACT WITH CPC BEFORE MARCH 26 DEADLINE. CLINTON SENT MESSAGE TO CPC SAYING IT WAS CONSIDERING CLAIMING " FORCE MAJEURE" ON GROUNDS THAT IT WAS UNABLE TO FIND RIG FOR HIRE THAT WAS MECHANICALLY CAPABLE OF DEEP- WATER DRILLING. FINDEISS WILL TELL CPC THAT CLINTON DOES NOT EXPECT BE ABLE ARRANGE FOR RIG FOR ABOUT THREE YEARS. (HE ADDED CONFIDENTIALLY THAT CLINTON IS UNPREPARED TO BUY A RIG.)

3. AT BOTTOM OF CLINTON THINKING IS CONCERN ABOUT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 081250

CONFLICTING CLAIMS TO ITS AREA. IN VIEW OF THESE, COMPANY DOUBTS THAT IT COULD PRESENTLY TAKE OUT OIL IF IT FOUND ANY AND WOULD WELCOME POSTPONEMENT OF DRILLING. NEVERTHELESS, FINDEISS ASSERTED GENUINENESS OF CLINTON' S INABILITY TO FIND SUITABLE RIG.

4. CLINTON IS CONCERNED THAT DRILLING OPERATIONS BY AMOCO, GULF, AND OTHERS THIS YEAR WILL MAKE IT HARD TO SUSTAIN CLAIM OF , FORCE MAJEURE". COMPANY, HOWEVER, BELIEVES THAT THERE ARE MECHANICAL, TECHNOLOGICAL, AND LOGISTICAL DIFFERENCES BETWEEN DRILLING IN ZONE 4 AND LOCATIONS NEARER TAIWAN AND HOPES TO PREVAIL ON ROC NOT TO PUSH ISSUE.

5. ACCORDING TO FINDEISS, SEISMIC WORK ESTABLISHED PRESENCE OF TEN HUGE MIDDLE- EAST TYPE STRUCTURES IN CENTRAL PORTION OF ZONE 4, RETAINED BY CLINTON. STRUCTURES PROMISE RESERVES IN 30- BILLION BARREL RANGE, COMPARED, FOR EXAMPLE, TO NORTH SEA YIELD OF 2-3 BILLION BARRELS. COMPANY WANTS TO MAINTAIN ITS RIGHTS TO AREA.

6. IN ANSWER TO FINDEISS' S QUESTION, MR. BARGER SAID USG POSITION TOWARD AMERICAN OIL OPERATIONS IN DISPUTED AREAS OF NORTH ASIAN CONTINENTAL SHELF HAD NOT CHANGED. USG CONTINUES TO ADVISE COMPANIES AGAINST OPERATING THERE. IF THEY DECIDE TO PROCEED DESPITE THIS ADVICE, IT WARNS THEM THAT THEY CANNOT EXPECT USG PROTECTION IN EVENT OF AN INCIDENT AND URGES THEM TO USE NO US- FLAG VESSELS, NO US- CITIZEN CREWMEN, AND NO DESIGNATED SENSITIVE EQUIPMENT. CLINTON' S POSITION WOULD THEN BE ENTIRELY CONSISTENT WITH USG POSITION.

7. REPLYING TO FINDEISS' S REQUEST THAT USG MAKE THIS POSITION CLEAR TO ROC WITH SPECIFIC RELATION TO CLINTON, MR. BARGER SAID US HAS ALREADY EXPLAINED ITS POSITION TO ROC. NO NEW CIRCUMSTANCE CALLS FOR ANOTHER APPROACH, WHICH COULD BE COUNTERPRODUCTIVE.

8. FINDEISS THOUGHT THAT CLINTON QUOTE COULD MANAGE UNQUOTE CPC WITH WHICH IT HAS GOOD RELATIONS, BUT HE FELT THAT MATTER MIGHT BE TAKEN OUT OF CPC HANDS BY ROC.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 081250

MR. BARGER THOUGHT IT WOULD BE IN CLINTON' S INTEREST TO KEEP MATTER A CONTRACTUAL PROBLEM AND OUT OF POLICY CHANNELS. HE SUGGESTED IT MIGHT BE HELPFUL IF CLINTON COULD SAY IT INTENDS TO PROCEED AS SOON AS RIG IS FOUND.

ROGERS

CONFIDENTIAL
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 30 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE081250
Document Source: CORE
Document Unique ID: 00
Drafter: MEMCDONNELL: BDS
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730454/aaaazii.tel
Line Count: 116
Locator: TEXT ON-LINE
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 31 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31-Jan-2002 by collinp0>; APPROVED <25 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980205
Subject: VISIT OF TED FINDEISS, CLINTON INTERNATIONAL
TAGS: BTRA, ENRG, TW, BTRA
To: AIT TAIPEI
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005